



HOUSING COMMISSION MEETING MINUTES

Wednesday, April 6, 2011 at 5:30 p.m.
701 Laurel Street, Menlo Park, CA 94025
Administrative Building Conference Room, First Floor

Chair Boyle called the meeting to order at 5:30 p.m. in the Administrative Building Conference Room.

ROLL CALL –

Commissioners Present: John Bautista, Patricia Boyle (Chair), Sally Cadigan, Carolyn Clarke, Anne Moser, Yvonne Murray (Vice-Chair), Brigid Van Randall.

Commissioners Absent: None.

Staff Present: Douglas Frederick, Housing Manager.

A. PUBLIC COMMENT #1 - None

B. REGULAR BUSINESS

1. Consideration of changes to the Housing Rehabilitation Program

After a brief discussion and questions, the Commission agreed to changes recommended by staff. These changes include:

- Expansion of income eligibility from 80 percent of the area median household income to 120 percent of the area median household income. The current limitation to 80 percent was a provision of the CDBG Program and a federal requirement. The City currently offers Purchase Assistance Loans (PAL) to homebuyers who earn up to 120 percent of the area median household income. A recent buyer is interested in using a rehab loan to make improvements to their house, but their income exceeds the 80 percent limit imposed by the CDBG program. Since we are no longer using CDBG funding, the requirement is no longer applicable. Redevelopment agency law allows use of redevelopment funding for households earning up to 120 percent of the area median household income. Staff would like to see the limitation raised in order to provide rehab loans to households who have purchased homes with PAL loans. This would provide a consistent income requirement between the programs and allow the City to market PAL and rehab loans together as an option for homebuyers looking to purchase older homes.
- Increase the maximum loan amount to \$100,000 from the current \$85,000 limit, and allow the Loan Committee to use its discretion in increasing that amount as needed to ensure that all rehabilitation needs are met. The \$85,000 limit was also a product of using CDBG funding.

- Increase the maximum Emergency Repair Loan to \$15,000 from \$10,000. Emergency Repair Loans are used to address limited repair needs, such as a new roof, installation of accessibility features, or replacement of single glazed windows. Many of these projects are exceeding the current \$10,000 limit. Increasing the limit would give staff more flexibility in meeting the homeowners' needs.
- Relax the requirement that the after rehab loan to value be no more than 80 percent. A 90 percent loan to value would make it a little easier for homeowners to qualify for the loans, particularly as home values have slipped significantly in the current housing market. Loan to value is simply the total of outstanding liens against the property divided by the after rehab value of the home.
- Finally, our program currently allows for bedroom additions in the event that the household is overcrowded. The guidelines, however, do not make provisions for an additional bathroom. Most of the homes in the redevelopment area have a single bathroom. An additional bathroom would simplify the morning preparations for school and work, particularly for larger households. Staff recommends that the total size of a bedroom and bath addition be limited to 240 square feet.

M/S Murray/Cadigan to make changes to the rehab program; 7-0-0.

2. Approval of March 2, 2011 Minutes

M/S Bautista/Moser to approve the minutes as presented; 7-0-0.

C. REPORTS AND ANNOUNCEMENTS

1. Update on Housing Activity (Report from Staff)

Housing Manager Frederick reported that staff will be taking the question of what to do with the Terminal Avenue property to City Council at a study session in May and will also begin work on plans for housing development on the Hamilton Avenue site with community engagement.

2. Monthly Report on Housing Rehabilitation Loan Program for February 2011

Housing Manager Frederick reported that two projects have been completed (from the FY 2009/2010 budget). Two projects have been funded and are currently under construction. In addition, some other projects have been approved by the Loan Committee but are not yet funded. Several other projects are in the pipeline.

3. Report from the Chair

Chair Boyle commented on the Facebook charrette that occurred in March and asked other commissioners who attended to comment also. She asked when the results would be presented to the City Council and suggested that commissioners might want to attend. The results are on the tentative agenda for May 3, 2011.

Chair Boyle also reported that a proposal by Assemblyman Jared Huffman could bring changes to the way Regional Housing Needs are determined, making it easier for cities to comply with Housing Element law.

4. Commission Member Reports

Commissioner Van Randall asked about Flood Park and what is happening around the County's desire to not keep the park open or give it to the City of Menlo Park. General discussion around the issue centered on the need to keep the park open and potential opportunities that City maintenance of the park might present.

Commissioner Moser asked about having access to Belle Haven Demographics, as reported by the Library Commission at the April 5, 2011 City Council meeting. Housing Manager Frederick suggested that it is probably available on the library's website (note: checking later the report is not on the website, but the Powerpoint used during the Council meeting is attached to the agenda item from the April 5, 2011 meeting agenda on the Council website).

D. INFORMATION ITEMS – None.

E. PUBLIC COMMENT #2 – None.

F. ADJOURNMENT – 6:35 p.m.

Minutes submitted by: Douglas Frederick, Housing Manager